

Insurance Law Number () of 2002

**Chairman of PLO Executive Committee
President of the Palestinian National Authority**

After sighting The Insurance Activities Control Law number (5) of 1965 and all its regulations, amendments, and decisions,

And the Companies Decree (Insurance Companies Deposits) of 1945 and its amendment,

After passing the proposed Law by the Palestinian Legislative Council in its session that was convened on ()

We promulgate the following law:

Draft IV

9/4/98

INSURANCE LAW NO. () OF 2002

CHAPTER I

The Law [Name] – Its Application:

Article 1:

This Law shall be cited “Insurance Law of 2002” and it shall come into effect 30 days after its publication in the Official Gazette

Definitions:

Article 2:

Unless the context otherwise provides, the following terms and phrases wherever mentioned in this Law shall have the meanings assigned to them hereunder:

The Minister: The Palestinian Minister of Finance.

The Authority: The Palestinian Capital Market Authority.

The Board: The Board of Directors of the Palestinian Capital Market Authority.

**The Insurance Department
Director General:** The Director General of the Insurance Department at the Palestinian Capital Market Authority.

Insurance Business:	The activities relating to all types of insurance provided in this Law, including reinsurance and the business activities of insurance agents, brokers and life insurance experts (actuaries) and any other activities pertaining to the Insurance Contract and business.
Insurance Contract:	The contract (insurance policy) between the Insurer and the Insured providing for the terms, undertakings, obligations and rights of the parties or the rights of the beneficiary under such document and shall be governed by the provisions of the civil code in respect of the prerequisites, conditions and legal effects of the insurance contract and the provisions specific to some types of insurance.
The Insurer:	The Company or the branch of a foreign insurance company, which has obtained a License issued in accordance with this Law.
The Insured:	The person who has concluded an Insurance Contract with the Insurer or the beneficiary who has initially acquired rights under such Contract or upon whom such rights have legally devolved
The License:	The License to practice Insurance Business issued in accordance with this Law.
The Company:	(a) The insurance company or (b) the branch of a foreign insurance company registered in Palestine that has obtained a License in accordance with this Law.
The Branch:	The Branch of the Company which carries on insurance business on behalf of the Company and in its name in accordance with the License terms.
The Agent:	The person who is authorized in writing by the insurer to carry on insurance business as agent on behalf of the Company or any branch thereof including agency for re-insurance.
The Broker:	The person who is authorized in writing by the insured to carry on insurance brokerage business between the insurer and the insured, including reinsurance brokerage business.
The Appointed Insurance Specialist (The Actuary):	The person holding a qualification approved by the Authority, appointed to act as Actuary to a Company to carry out any actuarial and mathematical estimates relating to the business of that Company.
Unexpired Risks Reserve:	The sum of money allocated by the Insurer as a reserve at the end of the fiscal year to meet the financial obligations that may arise

after the end of such year on Insurance Contracts issued before that date and which are still valid.

Outstanding Claims Reserve: The sum of money allocated at the end of a fiscal year to meet obligations on claims notified prior to the end of that year, which are still outstanding.

Solvency Margin: The value of the excess of the assets of the Company over its liabilities which will enable it to fulfill its obligations and pay compensations promptly upon being due without resulting in insolvency or bankruptcy. The Solvency Margin shall be calculated in accordance with the recommendations of the Authority Board of Directors and the instructions of the Insurance Department Director General made in accordance with the known International Standards

Solvency Certificate: A certificate issued by the Authority to the Company attesting to its compliance with the solvency requirements specified in this Law and the rules and instructions issued there under.

Minimum Guarantee Fund: A sum to be decided by the Authority Board of Directors upon instruction, which must be equal to at least one third of the required solvency margin.

Insurance Fund: The total of assets maintained by a Company to guarantee life Insurance Business other than shareholders' equity.

The Auditor: Any auditor who is legally licensed and approved by the Authority to practice business in Palestine.

Scope of Application of this Law:

Article 3:

The provisions of this Law shall apply to all Insurance Business and shall govern all Companies, Agents, Brokers, Insurance Experts and Actuaries who have obtained a license, including all persons involved in insurance business and related matters..

CHAPTER II

Insurance Business and Types

Article 4:

(a) Insurance Business includes all activities relating to insurance contract including the solicitation, acceptance, transfer, assessment or estimation of insurance contract or related claims and providing any expertise related thereto.

(b) For the purpose of this Law, Insurance Business will be divided into the following types that include any activity considered to be part of the Insurance Business as per custom and practice:

- (1) Life Insurance: Includes all insurance business related to life and risks associated therewith as prescribed in regulations issued in accordance to this law;
- (2) Non-life Insurance: Meaning insurance of all classes prescribed here of:
 - (a) Health Insurance: Includes insurance business related to medical treatment and hospitalization expenses.
 - (b) Endowment Saving Insurance: Includes insurance business comprising the issuance of documents, bonds or certificates binding the Insurer to pay at a forthcoming date a certain sum in one payment or in installments subject to payment of a premium or premiums by the Insured.
 - (c) Insurance Against Fire and Contingent Perils: Includes insurance covering damages resulting from fire even if fire resulted from earthquakes, lightning, hurricanes, winds, hail, snow, floods, explosions, aircraft and other aerial devices, explosions including damages arising from the above mentioned perils that are not accompanied by fire.
 - (d) Insurance Against Transport Perils: Includes cargo and freight insurance including freight charges against perils whilst being transported by sea, air or land in any known transport means. This also includes insurance against perils whilst stored before arriving at final destination. This also includes hull insurance, aircraft and the machinery and appurtenances thereto and insurance against perils arising from its building, manufacturing, use, repair, docking or stranding including damage to third parties due to accidents resulting there from.
 - (e) Insurance Against Accident: Includes insurance against damages resulting from all accidents including: (1) vehicles; (2) burglary; (3) labor accidents; (4) personal accidents; (5) fidelity guarantee and (6) third party liability of all types.
 - (f) And the other types of insurance not included in this Article as set out in regulations issued in accordance to this law.

Chapter III

The Authority Formation

Article 5:

The Palestinian Capital Market Authority shall regulate the insurance business provided in this law to achieve the following:

- (a) Ensure the implementation of the provisions of this Law, Regulations, Instructions and Orders issued thereunder;
- (b) Formulate detailed policies for the development and progress of the insurance sector and issue regulations in pursuit of these policies;
- (c) Implement the policies of developing and upgrading the insurance sector and take the measures and decisions necessary therefore within the limits of its powers determined in the Capital Market Authority Law and in this Law in co-operation and consultation with

- the competent authorities, those engaged in insurance, businessmen and with commercial and industrial activities;
- (d) Co-operate and co-ordinate with all the concerned parties to take the necessary action in order to provide a suitable climate for the development and progress of the insurance sector in such a way as to benefit economic activity in Palestine.
 - (e) Control and monitor the implementation of the provisions of this Law and any other laws, regulations and instructions pertaining to insurance business and to take the measures, decisions and instructions necessary therefore;
 - (f) The protection of the rights of the Insured and the beneficiaries of the insurance services and to enhance these services and the realization of full competition among Insurers in such a way that insures protection of their rights and interests through the implementation of the laws, regulations, instructions and general policy in order to develop the insurance sector;
 - (g) Prepare studies, researches, drafts of laws, regulations and procedures to regulate the insurance sector and to achieve supervision and control thereof. These shall include but not limited to draft regulations in the following fields:
 - (1) The calculation of technical or mathematical reserves representing Companies' underwriting liabilities;
 - (2) Evaluation methods of Companies' assets;
 - (3) The nature of the spread of the Company's assets that represents insurance liabilities and the localization and matching of such assets;
 - (4) Methods of calculation of Company liabilities;
 - (5) Reinsurance cessions of Companies including information, which Companies must supply in respect of their reinsurance arrangements;
 - (6) Fixing License fees to be paid by the Companies, the Agents and Brokers;
 - (7) Where appropriate and where the Authority deems it necessary, impose procedures with regard to the level of premiums or tariffs specific to any type of insurance.
 - (h) Issue pamphlets and prepare information programs and annual statistics on the industry to spread awareness among businessmen and those benefiting from insurance services of the importance of such services and their positive impact on the developments of trade, industry and the national economy in general;
 - (i) Issue and Prepare annual reports and statistics regarding insurance sector and media programs to increase the businessmen and insurance services beneficiaries awareness of the importance of these services and its positive effect on developing commerce and industry and the national economy in general;
 - (j) Issue annual report about the activities and achievements of the Authority and any new development in insurance sector. The report shall include the Authority future plans relating to insurance sector;
 - (k) Prepare drafts of decisions and instructions in the following fields and presenting them to the Board for its acceptance and issuance:
 - (1) The procedure, conditions and forms needed for the issue of a Solvency Certificate;
 - (2) The prohibition or limitation of investments of money accrued from any class of insurance;
 - (3) Where appropriate the percentage of distributed surplus to the Insured;
 - (4) The amount of bonds required from Insurance Agents and Brokers;

- (5) Methods to be followed in keeping accounting books, records and documents of the Company, Insurance Agents and Brokers and the details needed to be included in such documents;
 - (6) Returns and documents to be submitted to the Board regarding any activity of the company which shall be attested by professional persons and by the members of the Board of Directors or any employee appointed by the instructions prepared by the Board.
- (l) Publish the information and statements embodied in the Companies reports and records in the manner approved by the Board and the circulation of such information and statements to the competent governmental authorities and any other persons involved in the Insurance Business.

The Authority's Jurisdictions for Achieving Control and Supervision of the Insurance Sector:

Article 6:

Pursuant to the provisions of the Palestinian Capitals Market Authority Law, and in order to ensure achieving its objectives, the Authority shall upon a decision of the Board:

- (a) Issue regulations that include the conditions and fees for granting a License to Insurance Companies to carry out insurance business, and the required documents, information and statements to be submitted in order to acquire the license subject to the provisions of Chapter (7) of this Law;
- (b) Issue regulations to enable the Authority to levy fees in consideration for services rendered to Companies, Agents and Brokers.
- (c) Draw up the basis for calculating the insurance obligations and technical reserves corresponding thereto and to determine the method of evaluating the assets of the Company and the manner and distribution of the assets corresponding to the insurance obligations;
- (d) Draw up instructions for determining the value of the Solvency Margin and the Minimum Guarantee Fund and the techniques and methods of calculating them, and to approve forms, conditions and procedures for issuing the Solvency Certificates;
- (e) Prevent or restrict the Company's investment in certain fields of activities;
- (f) Draw up instructions specifying the basis according to which Companies shall be permitted to carry out reinsurance business;
- (g) Where appropriate determine the basis for distributing the surplus allocated for holders of insurance contracts;
- (h) Draw up instructions to point out the required methods to be followed in keeping and regulating accounting books, records and documents of Companies, agents and brokers and to specify the statements and details to be entered in such documents.
- (i) Obligate Companies to submit statements and information stated in the Company's books, records and documents and any other data pertaining to the Company's operations, including statements of insurance contracts and the types thereof, reinsurance and the Company's income and expenses together with any information about the activities of any company that has common ownership relations or connected to the Company;
- (j) Publish the information and statements embodied in the Company's books and records in the manner recommended by the Board and to send such information to the

competent governmental authorities and any other parties involved in insurance business.

Article 7:

The Authority, upon a decision of the Board, shall specify the conditions for granting a License to Agents, Brokers and Insurance Experts, including Actuaries, and determine their required qualifications and expertise.

Article 8:

The Authority, upon a decision of the Board, shall issue orders to Companies, Agents, and Brokers to obligate them to implement the provisions of the Law, regulations and instructions subject to penalties stipulated in this law.

Article 9:

The Authority, upon a decision of the Board, shall appoint a life insurance expert or expert in any other type of insurance, or an auditor to audit the business of any company and to evaluate and prepare a report on the status of the business. The Company shall bear the costs of auditing and insurance expert fees, which shall be determined by the Authority. The Authority may publish the report or a summary thereof in the manner it deems appropriate.

Article 10:

- (a) Every company shall provide the Authority with information on the Company's administration, general manager and general managers, and on its technical staff and its auditors, and with information on any proposed changes in these positions;
- (b) The Authority, upon a decision of the Board, may decide not to approve the appointment of the Insurance Department Director General or any of the Company's senior staff or the sanctioned Agent or the Auditor due to insufficiency of necessary qualifications or experience; and
- (c) The Authority decision in this regard shall not be appealed before any administrative or judicial authority.

Article 11:

The Authority, upon a decision of the Board, shall issue regulations obligating Insurance Companies operating in Palestine to reinsure with local reinsurance Companies, and to fix the basis and applicable reinsurance percentage.

Article 12:

The Authority, upon a decision of the Board, shall issue regulations to ordain obligatory insurance against certain risks, stipulating terms and general conditions of such insurance and the extent of liability.

Article 13:

The Authority, upon a decision of the Board, and after consultation with the insurance industry and representatives of consumers, companies, agents and brokers, shall issue a code of conduct to be observed by the aforesaid in their dealings with the insured and in setting down the conditions of the insurance contract. Companies, Agents and Brokers shall not breach this code of conduct under penalty of suspension or revocation of the License.

The Insurance Department Director General:

Article 14:

To achieve the objectives of the Authority, to regulate and supervise insurance business and to safeguard the rights and interest of the insured, the Insurance Department and its Director General shall:

- a) The Insurance Department and Its Director General shall assume, based on The Palestinian Capital Market Authority Law and this Law, the authorities and responsibilities required for carrying these duties;
- b) The following registers shall be organized at the headquarters of the Authority and shall maintain such registers to be open for the public for inspection:
 1. A general register containing the names and financial and basic information of all Companies operating in Palestine and the insurance agents, brokers and actuaries authorized therein;
 2. A separate register for each Company containing the annual audited financial accounts, the annual reports, and detailed information and statements relating thereto including the premiums, claims, compensations, contracts' transfers, investments, deposits, technical reserves maintained by the company and any other data and information deemed necessary for the protection of the insured;
 3. A separate register for each of the Agents, Brokers and Actuaries wherein there shall be entered information and data about them as required by instructions issued by the Insurance Department.
- (c) The Insurance Department Director General may instruct the Authority administrative staff to conduct investigations in order to obtain the information required and necessary for control and supervision of insurance business and to monitor the implementations of the laws, regulations, instructions and orders;
- (d) The Insurance Department Director General or any person delegated by him may at any time audit all files, records and documents of the Company, the agents and brokers;
- (e) For the purpose of ensuring compliance by the Companies, the agents and brokers with their obligations under this Law, the Insurance Department Director General may request any company or any insurance agent or broker to provide him with the following:
 1. The accounts and books of the company and of the agents and brokers in the form stated in this Law, and any other information relating to the financial situation of the Company, agents and brokers and any company related to the insurance company or connected to it, including information derived from actuarial investigation. The Director General may require that these documents and information be certified or attested by a body designated by him;
 2. The general and specific policy conditions and premium rates attaching to certain types of insurance contracts. The Director General may request that such information be provided before any such insurance contracts are issued;

3. Statements regarding the qualifications and experiences of the company's board of directors, general manager, the appointed actuaries and senior staff of the Company;
4. Statements and information regarding the qualifications and experience of the Auditor of the Company.

Article 15:

- (a) If the Insurance Department Director General receives information, or has reason to believe that a Company is or may be unable to meet its liabilities or that it may be unable to provide the Solvency Margin decided in the Law, the Insurance Department Director General may then, after referring the matter to the Board and receiving instructions accordingly, direct the Company to take by a specified date, such one or more of the following measures as he deems appropriate, either indefinitely or for a specified period of time:
 - (1) Fully Refrain from taking on new insurance business, or refrain from undertaking insurance business of a specified type or class;
 - (2) Limit its premium income to a specified amount;
 - (3) Refrain from making investments of a specified class or category;
 - (4) Liquidize, within a specified period, investments of specified class or category;
 - (5) Maintain in Palestine assets of a value equal to the whole or a specified amount of its liabilities in respect of business carried on in Palestine;
 - (6) To take such further measures in accordance with the specific instructions of the Board.
- (b) The Insurance Department Director General may take the measures shown in paragraph (a) of this article in the following cases:
 - (1) If the Company has failed to comply with any provision of this Law or rules and regulations issued thereunder;
 - (2) If the Insurance Department Director General is not satisfied that adequate arrangements are in force or will be made for the reinsurance of risks assumed by the Company;
 - (3) If there exists a ground on which the Authority would be prohibited from issuing a License to the Company if it was applied for;
 - (4) If there has been a substantial departure by the Company from a proposal or forecast submitted to the Insurance Department Director General and on the basis of which a License was issued to the Company.

Article 16:

- (a) The Insurance Department Director General may require an Auditor of a Company to supply him with such information as he deems necessary in relation to the audit and control of the business of the Company. In supplying such information, the auditor shall act independently of the Company within the time specified by the Insurance Department Director General;
- (b) In the case of a Company having its head office outside Palestine, the duties imposed on an auditor under paragraph (a) shall apply only in respect of Insurance Business carried on by the Company in Palestine;
- (c) No duty to which an Auditor may be subject shall be regarded as contravened and no liability to the Company, its shareholders, creditors or other interested parties shall attach to the auditor by reason of his compliance with the provisions of this Article.

Article 17:

(a) An Auditor of a Company is required to report in writing to the Insurance Department Director General without delay in any of the following cases:

- (1) If he has reason to believe that there exist circumstances, which are likely to affect materially the Company's ability to fulfill its obligations towards the Insured or meet any of its material financial requirements under this Law or the rules and regulations issued thereunder.
- (2) If he has reason to believe that there are material defects in the financial systems and controls or accounting records of the Company.
- (3) If he proposes to qualify any certificate which he is to provide in relation to financial statements or returns of the Company under the Companies Law or this Law.
- (4) If he decides to resign or not seek re-election.

(b) The Auditor shall send a copy of the report referred to in paragraph (a) of this article to the Company at the same time sent to the Insurance Department Director General;

(c) No duty to which an auditor may be subject shall be regarded as contravened and no liability to the Company, to shareholders, creditors or other interested parties shall attach to the Auditor by reason of his compliance with the provisions of paragraph (a) of this article.

Article 18:

(a) The Insurance Department Director General may request a company to furnish him within 30 days with information in relation to commission payments made by the Company to Insurance Agents and Brokers;

(b) Where, as a result of the information received from the Company or otherwise, commission payments made by the Company to the Agents and Brokers are found excessive, the Insurance Department Director General may, after referring the matter to the Board and obtaining the required approval, by written notice, require the Company to reduce the commission payments in relation to its Insurance Business or certain specified classes thereof by a specified period of time not less than two months from the date of the notice.

Article 19:

The Insurance Department Director General may, upon a decision of the Board, issue instructions preventing the payment of commissions in kind, or in the form of a loan, until the premium to which the commission payment relates has been received by the Company or the Agent.

Article 20:

Whenever the Insurance Department Director General considers it necessary in order to satisfy himself whether a Company is complying, or has the ability to continue to comply with its obligations under this Law, he may direct an investigation of the business of the Company or any aspect of such business.

Article 21:

For the purpose of conducting the investigation stipulated in this Law, the Insurance Department Director General may do the following either by himself or through a person authorized by him:

- (a) Enter, at all reasonable times, any of the company's offices, or any other offices suspected of containing documents or records relating to insurance contracts, stock certificates or any other document that is related to insurance business.

- (b) Require any person employed by the Company or by a connected body to produce to him any books, documents or records containing the required information.

Article 22:

The Director General may delegate some of his powers as provided in this Law to the Deputy Director General or to any senior officials of the Authority, provided that such delegation should be in writing and precisely defined.

CHAPTER IV

Insurance Companies

Article 23:

- (a) No person may carry on Insurance Business unless it is a Palestinian public shareholding company registered in Palestine in accordance with the applied laws and holding a license, pursuant to the provisions of the Authority's instructions and to this Law, or a registered foreign company licensed pursuant to this Law and the rules and regulations issued thereunder. Any insurance contract or agreement concluded by an insurer against the condition provided by this article shall be null and void.
- (b) The Insurance Contract shall be drawn up in Arabic for all types of insurance. A precise translation in another language may be made of the contract. In case of discrepancy between the Arabic and translated versions of the Insurance Contract, the Arabic version shall prevail.

Article 24:

- a) The Company may open branches and agencies in Palestine and abroad provided that it shall inform, in writing, the Insurance Department Director General, seek his approval beforehand, and pay the provided fees.
- b) The Palestinian Company shall be responsible for the insurance activities of its branches and agencies, its assigned Agents and Brokers, and the registered foreign insurance company shall be responsible for the activities of its branches operating in Palestine.

Article 25:

Companies may not practice insurance business and may not be licensed unless they comply with the minimum capital requirements set for Palestinian and foreign insurance companies, including life and non-life insurance companies, in the regulations issued pursuant to this Law.

Article 26:

The Company's general manager and senior staff should have the experience and know-how in insurance business and should be sufficiently qualified to manage the Company. The Company shall provide the Insurance Department Director General with a detailed statement of the qualifications of the general manager and senior staff.

Article 27:

No person shall be appointed in any position in the Company if he has been convicted of a felony or misdemeanor involving honesty or honor or has been bankrupted and has not been reinstated.

Article 28:

- (a) The Chairman and members of the board of directors of any Company, its general manager or his deputy or any manager of a Company's department or division, are not allowed to receive any commission on any insurance transaction;

- (b) The Chairman and any member of the board of directors of a Company or its general manager may not undertake any activity competitive to its business nor may he participate in the management of a similar or competitive Company.

The Company's Obligations:

Article 29:

The Company must:

- (a) Maintain a Solvency Margin in respect of its entire business in accordance with instructions issued by the Board;
- (b) Maintain a Minimum Guarantee Fund in respect of its entire business;
- (c) Keep within Palestine the funds and reserves in accordance with instructions issued by the board;
- (d) Maintain at the end of each fiscal year an Outstanding Claims Reserve, which shall be estimated at the end of each year from the total of the individual claims submitted by the Insured in accordance with instructions issued by the Authority.

Article 30:

The Company shall maintain at its head office the following records and documents:

- (a) A proper registry of accounts for each type of insurance;
- (b) A registry of all insurance contracts concluded by the Company for each class of Insurance Business, incorporating the name of the Insured, the date of issue, the premiums collected, the claims due or paid, and any other information relating to insurance business as determined by the Authority bases on its decision;
- (c) A registry of all insurance claims, including the details stipulated in paragraph (b) of this Article, pursuant to the practices recognized for such class of Insurance Business;
- (d) Documents with serial numbers relating to receipt, payment vouchers, journal vouchers, settlements and other financial transactions;
- (e) A registry, organized pursuant to the practices, of all insurance business carried on by the Company licensed to operate in Palestine;
- (f) A registry of all its appointed Agents and Brokers names and addresses that shall be open for public inspection during normal working hours;
- (g) Any other records or registries required to be kept under this Law or the regulations and instructions issued pursuant thereto;
- (h) Companies licensed to undertake Life Insurance Business must, within one month of being granted the relevant License, appoint a qualified life insurance expert (Actuary). Information as to the identity, experience and qualifications of the Actuary shall be notified to the Insurance Department Director General within one month of his appointment.

Article 31:

(1) Companies licensed to undertake Life Insurance Business must maintain the following:

- (a) Separate accounts in respect of all life insurance business transactions whereby life insurance business and the receivables of such business shall be business shall be entered into the accounts for the formation of the Life Insurance Fund; and

(b) Detailed accounts and records showing:

- (1) The assets representing the life insurance fund that the Company shall maintain; and
 - (2) The liabilities resulting from carrying on life insurance business.
- (2) (a) The assets maintained by a Company in accordance with paragraph (1-b-1) of this article shall be applied for the purposes of Life Insurance Business only and shall not be transferred so as to be available for other purposes except where such transfer is in relation to a reimbursement of expenditure borne by other assets in discharging liabilities attributable to the Life Insurance Business.
- (b) If the value of the assets mentioned in paragraph (2-a) of this article is shown by any investigation undertaken pursuant to this Law to be in excess of the amount of liability attributable to the Company's Life Insurance Business, then the restriction imposed by paragraph "2-a" above shall not apply to the assets excess.(c) The Company may exchange, at a fair market value, assets representing the Life Insurance Fund for other assets of the Company.
- (d) Any mortgage, pledge, general lien or privilege over the companies assets that form its Life Insurance Fund shall be void to the extent it contravenes paragraph "a" of this sub-article.
- (e) Money from the Life Insurance Fund shall not be used for any other purpose notwithstanding any arrangements or procedures for its subsequent repayment out of the receipts of that other business.
- (f) No Company for which the provisions of paragraph (2) of this article applies may declare a dividend if, at any time, the value of the assets representing the Life Insurance Fund is less than the amount of liabilities attributable to Life Insurance Business carried on by the Company, or the sum representing the Solvency Margin, as determined in accordance with the instructions issued under this Law.

Article 32:

The Company must furnish the Insurance Department Director General with all the documents, statements and information required under the Law, regulations, decisions and instructions; the Company shall comply with any request of the Authority or the Insurance Department Director General for statements and information within the period specified under penalty of suspension of the License

Article 33:

- (a) A Company shall submit to the Insurance Department Director General its annual accounts and all accompanying detailed statements, including the annual balance sheet, the General Loss and Profit Account of the company and the detailed Loss and Profit Account for each type of insurance, provided that these accounts are audited by a licensed Auditor and that the company attaches to them a report on all insurance business it carried out, and that the above be submitted within three months after the end of the fiscal year to which the above accounts and business relate;
- (b) The report on the company's insurance business and its balance sheet and the accompanying detailed accounts must be a reflection of the true situation and must be signed by the Chairman of the Board of Directors or those authorized to sign in the name of a Palestinian company or by the branch manager if the company is foreign;
- (c) The Company shall enter in the liabilities section of its General Balance Sheet if it were a Palestinian Company or in its special Balance Sheet of its business in Palestine if it were a foreign registered company, the adequate estimations to meet its obligations towards the

insured and the beneficiaries of the insurance contracts under the article “Unexpired Risks Reserve”, in accordance with the percentages specified in the Authority’s instructions, and also an Outstanding Claims Reserve, in addition to the Arithmetic Reserve for companies carrying out life insurance, saving insurance and money generation, and must clearly show on the assets side all deposits and investments.

Article 34:

- (a) The Company shall provide the Insurance Department Director General with all forms of insurance contracts and the endorsements thereof, provided that these, or any amendments thereto, shall not be used except after approval of the Authority on a decision of the Board;
- (b) Each Company practicing life insurance business, or saving and money generation business shall submit to the Insurance Department Director General the general conditions of the insurance, the technical basis and the table of reimbursement of life insurance, saving and money generation contracts. The Company shall not apply the aforesaid or any amendments thereto unless the Authority on a decision of the Board approves them;
- (c) The Insurance Department Director General shall have the right to make any correction or amendment to the documents and forms submitted to him pursuant to the provisions of this Article. The Company may object to the action taken by the Insurance Department Director General who in turn shall have to submit his recommendations, along with the objection, to the Board to take the appropriate decision;
- (d) The Company shall furnish the insured and beneficiaries of the insurance contracts with copies of such contracts upon their requests, and shall also provide the insured or beneficiary with a copy of any of the required statements to be submitted to the Insurance Department Director General.

CHAPTER V

Foreign Insurance Companies

Article 35:

A foreign insurance company shall not carry out insurance business in Palestine without obtaining a License. The foreign Company shall carry out its business through a branch, which must be registered as a company in Palestine in accordance with the relevant laws.

Article 36:

- (a) The conditions stipulated in this Law regarding the qualifications of the general manager and senior staff of the company shall also apply to the branches of foreign companies;
- (b) The Branch of a foreign company should have a power of attorney from the relevant foreign insurance company, duly authenticated conferring on it the following authorities and rights:
 - (i) The power to issue Insurance Contracts and any endorsements thereof Provided that the foreign insurance company shall remain responsible for the contracts issued by its branch in Palestine;
 - (ii) The right to represent the company before Palestinian courts of law and other official and nonofficial bodies in Palestine;
 - (iii) The authority to receive warning notices and other notices and correspondence directed to the relevant foreign insurance company;
 - (iv) The authority to provide the Authority with any information required under this Law or any other Law, in respect of the relevant foreign insurance company business;

- (v) The authority to pay indemnities arising out of the insured risks pursuant to the Insurance Contracts issued by it on behalf of the relevant foreign insurance company;
- (vi) To keep separate accounting books and records concerning the Company's operations in Palestine including its final accounts in accordance with the provisions of this Law, the rules and regulations, and any instructions issued thereunder.

Article 37:

The branch of the foreign company operating in Palestine shall not be allowed to bear more than 5% of the total net premiums accrued yearly on its activities in Palestine as a contribution to the tax-deductible expenses of the head office including administrative and technical services rendered by the head office.

Article 38:

The branch of the foreign company shall maintain the Solvency Margin and Minimum Guarantee amount for all Insurance Business carried thereby.

CHAPTER VI

Agents and Brokers

Article 39:

No person shall act as an Agent unless the following conditions are provided:

- (a) A license to carry on Insurance Agents' Business is obtained;
- (b) A written appointment from the Company for which he is appointed as its Agent is obtained;
- (c) The letter headings and forms used in the insurance agent business shall bear phrases indicating his capacity as insurance agent together with the name of the Companies for which he is Agent;
- (d) To introduce himself, to any person applying for insurance contract, as an Insurance Agent and to inform him of the names of the companies for which he is Agent.

Article 40:

If an Agent commits himself, in accordance with an agreement with the Company, to act as Agent for specified companies and to forward any insurance contract only to these companies, then he must state on his letter headings and business forms that he is an Agent committed to carrying on business with specified companies and shall inform persons dealing with of the names of these Companies.

Article 41:

No person shall act, or hold himself out as a Broker unless he is a member of a representative body of brokers that has been recognized by the Authority. The broker shall also satisfy the conditions applied by the Authority pursuant to article (7) of this law.

Article 42:

No Broker shall be licensed unless:

- (a) In the case of non-life insurance, the Broker is in a position to arrange Insurance Contracts on behalf of his clients;

- (b) In the case of life insurance, the Broker is in a position to arrange Insurance Contacts on behalf of his clients.

Article 43:

No Company may appoint an Agent or accept business from a Broker unless he has satisfied the conditions stipulated in this Law.

Article 44:

The Insurance Department Director General may, pursuant to a decision of the Board, require Agents and Brokers to regulate insurance policy against their professional liabilities, which its terms, amount, and insured risks shall be determined by the Board.

Article 45:

Agents and Brokers shall keep separate bank accounts for each of the following classes of Insurance Business:

- (a) A separate for all premiums paid to Insurers under non-life insurance contracts, and that includes money paid or accrued to the Insured. These accounts shall be designated in all financial records maintained by the Agent or Broker as "Non-life Insurance Accounts";
- (b) A separate account for all premiums paid to Insurers under life insurance contracts, and that includes money paid or accrued to the Insured. These accounts shall be designated in all financial records maintained by the Agent or Broker as "Life Insurance Accounts".

Article 48:

- (a) All moneys, other than commission payments and service charges received by him in connection with of insurance contracts shall be paid into the appropriate account;
- (b) No person shall have or obtain recourse against money standing to the credit of such accounts in respect of a claim or right against an Agent or Broker until all proper claims against those moneys have been satisfied.

Article 47:

The Authority shall on a decision of the Board issue instructions obliging Agents and Brokers to effect bonds to guarantee their obligations. The instructions shall determine the type and amount of the bonds and the obligations to be guaranteed thereby.

Article 48:

The insurance Agent or Broker shall not accept any sum of money concerning insurance application unless the Company or Companies accepted it, or a complete insurance application was attached to the sum. In case of the insurance contract renewal, the acceptance of receiving any sum of money from the client shall not be allowed unless the company has invited the renewal.

Article 49:

Once a Broker or Agent accepts a completed insurance application from the client with a view of effecting an Insurance Contract with a Company, or accepts a renewal invited by the Company, and provided that such Agent or Broker has no authority to issue an Insurance Contract with the Company, he shall serve the client a document stating that the document has been issued pursuant to this Article and specifying:

- (a) The name and address of the client;
- (b) The amount of the said sum and the date of its receipt by the Agent or Broker;
- (c) The insurance application, contract renewal or the accepted application by the Company in respect of which the sum was paid;
- (d) The name of the Company with which the insurance contract is to be signed or the name of the Company that accepted the insurance application;
- (e) Acknowledgment that the acceptance by the Agent or Broker does not in itself constitutes the concluding or renewal of insurance contract;
- (f) Any other statement of information requested by the Insurance Department Director General, upon direction of the Authority, and the Authority may amend as from time to time.

Article 50:

- (a) Where a premium is paid to an Agent or Broker in respect of an Insurance Contract renewal invited by the Company, or of insurance proposal accepted by the Company, the premium shall be treated as having been paid to the Company;
- (b) Notwithstanding the above-mentioned in paragraph (a) of this article, where the Company has given reasonable notice in writing to a person that a certain Agent or Broker has no authority to collect premiums on behalf of the Company, it shall not be liable for any premiums paid to such Agent or Broker.

CHAPTER VII

The Insurance License - Authorization and Revocation

Article 52:

- (a) The Insurer shall not carry out any class of Insurance Business in Palestine unless it holds a valid License of the Authority;
- (b) Registration of Insurance Company under the Companies Law shall not be deemed a license to practice insurance business and shall not be allowed without the prior approval of the Authority;
- (c) Agents and Brokers shall not carry out Insurance Business unless they hold a valid License according to the provisions of this Law and of the regulations and instructions issued hereunder.
- (d) The Insurance Department Director General shall issue upon a decision by the Board licenses to Companies, Agents, and Brokers;
- (e) The Insurance Department Director General shall draw up upon a decision by the Board instructions to determine the conditions, qualifications, experience and the required procedures to grant the insurance experts (actuaries) their licenses;

Article 52:

Pursuant to the provisions of this Article, the Authority shall issue rules and regulations that include the conditions and requirements for granting a License for each class of Insurance Business.

Article 53:

- (a) In addition to the requirements and conditions for obtaining a License prescribed in the regulations issued pursuant to the foregoing Article, the Authority may, if it considers it expedient in the public interest or provides protection for the rights of the Insured, either at the time of issuing the License or at any other time, through the Insurance Department Director

General, require the Company that applied to be licensed, to give undertakings to be performed by a specified date relating to the manner in which the Company's business shall be conducted, and the Company shall comply with such undertakings.

- (b) The Company shall furnish the Insurance Department Director General annually, or at such more frequent intervals as he may request, such returns and documents or other information in such form and manner as he may require as are necessary to verify that the undertakings mentioned in subparagraph (a) of this Article are being complied with.
- (c) Failure to comply with the undertakings mentioned in paragraph (a) of this article may lead to the suspension or revocation of the License in accordance with the procedures prescribed herein.

Article 54:

A Company may undertake reinsurance acceptances if its License extends to the classes of Insurance Business in which reinsurance is being accepted, or if the class or classes of Insurance Business, which are covered by the License, are ancillary to the main reinsurance business being accepted.

Article 55:

- (a) Subject to the provisions of this Article, the application for a License shall be submitted to the Authority in the form determined by the Insurance Department Director General for this purpose and shall be accompanied by the following documents:

- (1) A certified copy of the Memorandum and Articles of Association of the Company and its certificate of incorporation;
- (2) A certified document indicating the authorized and paid-in capital;
- (3) A statement listing the classes of Insurance Business which the Company wishes to conduct;
- (4) The applicant Company must submit documents evidencing that it has concluded reinsurance treaties covering the classes of Insurance Business in question or submit copies of these treaties;
- (5) Any other documents as may be required pursuant to the provisions of any regulations issued under this law.

- (b) If the applicant is a foreign company, it must submit the following documents:

- (1) A certified balance sheet covering the last three fiscal years preceding its registration in Palestine;
- (2) A certified document showing the name and address of its proposed branch manager in Palestine and his authorities, including the authorization to represent the Company and sign insurance contracts on its behalf;
- (3) An official certified document from the relevant authorities evidencing that the law of the country in which the company was incorporated allows Palestinian companies to conduct insurance business in that country;
- (4) An official notarized certificate from the relevant authorities translated into Arabic evidencing that the applicant is qualified in the country where it has its principal business offices to conduct the types of Insurance Business in Palestine for which the application is submitted.
- (5) A certified document translated into Arabic containing acceptance of the applicant in its principal place of business for liability for contracts and commitments of the branch;

- (6) The Insurance Department Director General may request the Company to submit any other documents deemed necessary;
- (c) The provisions of this Article shall apply to the Company's application to add one or more classes of Insurance Business to its current business.

Article 56:

After submitting the required documents, the Insurance Department Director General shall submit the application to the Board together with a report indicating if the applicant has satisfied the conditions for License and listing the types of Insurance Business applied for. The Board shall decide whether or not the application should be accepted. On approval by the Board, the Authority shall issue the needed License.

CHAPTER VIII

The Merger of Companies

Article 57:

Where it is resolved by the general assembly to liquidate the Company voluntarily, the Company shall notify the Insurance Department Director General of such resolution and provide him with a copy thereof. If the term of the Company provided for in the Articles and Memorandum of Association of the Company elapses, the Company shall notify the Insurance Department Director General six months prior to termination. In case of compulsory liquidation, the Controller of Companies shall provide the Insurance Department Director General with a copy of the motion for liquidation. All procedures shall be in accordance with the Palestinian operative Laws.

Article 58:

- (a) In the case of liquidation, the assets of the Company representing the technical reserves required to be kept in accordance with this Law and regulations issued hereunder, shall have priority over all other debts of the Company. These assets shall be allocated for the settlement of the debts of the Company arising from the Insurance Contracts prior to the settlement of other debts, which enjoy priority in accordance with other laws and notwithstanding the provision of such laws;
- (b) Any amount, which the Company shall receive pursuant to a re-insurance contract, shall be considered part of the technical reserves provided for in paragraph (a) of this article.

Article 59

Merger between Companies shall be in accordance with the procedures set below subject to the provisions of the Companies Law, any other relevant laws and the Instructions issued by the Authority:

- (a) Companies wishing to merge shall submit an application to the Insurance Department Director General with the following attachments:
- 1- Resolutions of the extraordinary general assembly meetings of each Company approving the merger;
 - 2- A report by an expert in life insurance or an expert in Insurance Contracts as the case may be, approving the grounds for merger and confirming that the merger will not jeopardize the rights of the holders of insurance contracts;

- 3- A report certified by certified Auditors on the financial status of each Company prior to the merger along with a statement certified by the Auditors of each Company's assets and liabilities;
 - 4- A statement containing the valid Insurance Contracts and the value thereof; and
 - 5- any other documents as the Director General may deem necessary.
- (b) The Insurance Department Director General shall submit the application for merger with the reports and statements attached thereto to the Authority indicating his opinion thereon. If the Authority approves the merger in principle, he shall form a committee to assess the value of movable and immovable assets and the actual value thereof for each Company wishing to merge. The method for forming the committee and its powers shall be determined in such a manner so as to safeguard the rights of shareholders, the holders of Insurance Contracts and the beneficiaries pursuant to a decision by the Authority.

Article 60:

- (a) Should the Authority approve the report of the Committee provided for in paragraph (b) of Article 59 of this Law, the Authority shall publish notice of the merger in the Official Gazette and in two daily newspapers for two consecutive days. Any holder or beneficiary of an Insurance Contract issued by any of the Companies wishing to merge may object to the merger before the Board within a period not exceeding one month from the date of its publication or announcement;
- (b) The Merging Companies shall allow the objecting parties to examine the Agreement pursuant to which the merger took place in order to identify its provisions. Such Agreement shall remain open for examination at the head offices of the merging companies for a period of one month from the date of publication of the merger agreement;
- (c) All rights and obligations of the merging Companies shall automatically and by application of law revert to the merged Company after the completion of the merger procedures in accordance with the provisions of this Law.

CHAPTER IX

Transfer of Insurance Contracts

Article 61:

- (a) The Company may transfer the Insurance Contracts it concluded, together with its rights and obligations thereunder, regarding one or all types of insurance carried out by the Company, to other Companies carrying out such types of insurance;
- (b) The application for transfer shall be submitted to the Insurance Department Director General together with the documents and instruments relevant to the Transfer Agreement. The Insurance Department Director General shall publish notice of the transfer in the Official Gazette and in two daily newspapers for two consecutive days, provided that the publication allows for the holders of Insurance Contracts, the beneficiaries and any person concerned to object to the Insurance Department Director General within one month as of the date of the first publication;
- (c) The Companies, which the Insurance Contracts was transferred to, shall allow the objecting party to examine the Transfer Agreement in order to confirm its provisions. This Agreement shall be open for examination for a period of one month as of the date of first publication;

- (d) The legal procedures for transferring the rights and obligations to the Company or Companies shall be completed when the Insurance Department Director General, after informing the Authority and receiving its approval, decides upon the objections filed. Procedures for transferring such rights and obligations and the assessment thereof shall be determined in accordance with the instructions issued by the Authority for this purpose.

CHAPTER X

Palestine Union of Insurance Companies

Article 62:

- (a) A union of Insurance Companies to be named The Palestinian Union of Insurance Companies shall be established wherein all insurance Companies shall be members by virtue of this Law and in an obligatory manner. It shall be a corporate body and in such capacity, it shall be considered the legal representative of Insurance Companies before official departments, third parties and all other competent authorities in respect of the general insurance issues and matters within the limits of the provisions, activities and powers specified by the Union regulations issued by virtue of this Law;
- (b) The Union shall practice its business and activities for organizing insurance business, particularly regulating the professional conduct of the members and traditions and morals of the profession. The Union may draw unified forms for the drafts of insurance contracts and may set up insurance pooling;
- (c) The Union shall provide the Insurance Department Director General with a copy of any decision adopted by the General Assembly of the Union or its Board of Directors, such copy to be certified by the chairman of the Union within fifteen days from the date of the issue of the decision.

CHAPTER XI

Violations

Article 63:

Upon recommendation by the Authority, the Board may suspend the license of the company for one or more types of Insurance Business for a specified period of time not exceeding one year in the following cases:

- (a) If the Company violates the provisions of this Law, the rules, regulations issued thereunder, and the codes of professional conduct issued by virtue of this law or the instructions, decisions or orders issued by the Insurance Department Director General;
- (b) If the Company refrains from executing any final judgment relating to the insurance contract;
- (c) If the Company is incapable of meeting its financial obligations;
- (d) If the Company has not used its License for the last twelve months, has renounced the License, or has ceased to carry on business covered by the License for more than twelve months;
- (e) If the Company fails to fulfill any of the conditions and obligations prescribed by this Law, or the regulations issued thereunder which are necessary for the granting or maintaining of a License;

- (f) If the Company has been unable, within the specified time, to take the measures stated in the restoration plan or finance scheme as referred to in the rules and regulations regulating life and non-life Insurance Business;
- (g) If the company fails to submit to the Insurance Department Director General the information and documents, which he had requested within the time limit specified in his request.

Article 64:

If the Company fails to make good the reason that caused the suspension of its License for any type of insurance in accordance with this Law within one year from the suspension decision, its License for that type shall be revoked by a decision by the Board upon the recommendation of the Insurance Department Director General.

Article 65:

The Authority may, on a decision of the Board, revoke the License of an Insurance Agent or Broker in the following cases:

- (a) If the Agent or Broker violates the provisions of this Law, the rules and regulations and the codes of conduct issued pursuant thereto or the instructions, decisions or orders issued by the Authority or the Insurance Department Director General;
- (b) If the Agent or Broker is adjudged bankrupt;
- (c) If the Agent or Broker makes an arrangement with his creditors;
- (d) If the Agent or Broker fails to meet his financial obligations resulted from insurance business;
- (e) If the Agent or Broker is convicted of a crime involving dishonesty whether or not in connection with an insurance matter.
- (f) If the Agent or Broker is or was a member of the board of directors of a company involved in insurance, which has been liquidated;
- (g) If he is found liable under the Companies Law in his capacity as member of the board of directors of a Company.

Article 66:

If the Company decides to go into voluntary liquidation or a decision by a competent court is issued liquidating the Company or declaring it bankrupt, its License shall be deemed cancelled by operation of law.

Article 67:

Where a decision is passed to suspend or revoke a license in relation to all or to one type of insurance, the Company shall not be entitled to conclude Insurance Contracts in the types of Insurance regarding which the license was suspended or revoked subject to the penalties provided for in this Law. All rights and obligations arising out of contracts concluded prior to or after the suspension or revocation of license if any shall be deemed valid and effective and the Company shall remain liable therefore.

Article 68:

The Company whose license has been revoked may submit an application to revalidate its license provided that the application for revalidation is enhanced with documents evidencing the absence of causes for which the license was cancelled.

Article 69:

If the Company did not submit to the Board the application for revalidation or the Board rejected the application for revalidation, the Company shall take all measures to liquidate and wind up its business, within one month from the date of being notified of the Board decision. If the Company fails to do so, the Insurance Department Director General may, upon a decision by the Board, may apply to the appropriate authorities to initiate legal procedures for the compulsory liquidation of the Company.

Article 70:

The Insurance Department Director General shall after notifying the Company of all decisions pertaining to the revocation, suspension or revalidation of the license, publish these decisions in the Official Gazette and in two daily newspapers, and shall also send copies of such decisions to banks, Chambers of Commerce and Industry, The Palestinian Union of Insurance Companies and other competent authorities, including the Insurance Regulatory Authorities in any foreign country where the Company has established a branch.

Article 71:

Suspension and revocation of a license shall be carried out in accordance with the following procedures:

- (a) The Insurance Department Director General shall notify the suspension or revocation decision to the relevant Company and to the Insurance Supervisory Authorities of the other states in which the Company carries on insurance business or, in the case of a branch of a foreign insurance company, to the Insurance Supervisory Authorities in the state of incorporation of such foreign insurance company;
- (b) The Insurance Department Director General shall restrict the Company from the free disposal of its assets in accordance with the provisions of the regulations issued hereunder;
- (c) The Insurance Department Director General shall take any further measures he deems fit in order to safeguard the rights and interests of the Insured and may also for this purpose take all legal, judicial and administrative measures;
- (d) The decision to suspend or revoke a license shall be supported by precise reasoning and notified to the relevant company.

CHAPTER XII

Penalties

Article 72:

- (a) Any company or person carrying on any kind of Insurance Business without a License shall be penalized by a fine of not less than Three Thousand Dollars and not more than Fifteen Thousand Dollars and its Director General or branch manager, as the case may be, shall be penalized by imprisonment for a period of not more than two years and not less than three months. This penalty shall be increased if such violation is repeated provided it shall not be more than double its maximum limit.
- (b) The penalties provided for in paragraph (a) of this Article shall be applied if Insurance Business has been carried on during the suspension period of the License or after its revocation or after the issue of a decision for the non-renewal thereof.

Article 73:

- (a) Any person issuing Insurance Contracts in violation of the provisions of this Law shall be penalized by imprisonment for a period of not more than six months and not less than one month or by a fine of not more than Ten Thousand Dollars and not less than Four Thousand Dollars or by both of these penalties;
- (b) Any person practicing the business of insurance agency or brokerage without obtaining a license shall be penalized by imprisonment for a period of no more than three months and not less than one month or by a financial fine of not less than Five Hundred Dollars and not more than Two Thousand Dollars, or by both of these penalties.

Article 74:

- (a) A Company committing an offence in violation of the provisions of this Law, regulations, instructions and orders relating to commissions, shall be penalized by a fine of not less than Four Thousand Dollars and not exceeding Ten Thousand Dollars;
- (b) An Insurance Agent or Broker found in violation of the provisions of this Law, rules and regulations, instructions and orders relating to commission shall be penalized by a fine of not less than Two Thousand Dollars and not exceeding Five Thousand Dollars.

Article 75:

Any person who obstructs or prevents the Insurance Department Director General or any of the Authority's officers from performing their tasks for the enforcement of the provisions of this Law, or who intervenes to deny their access to the information required for the performance of their tasks or who fails to provide them with the required information shall be penalized by imprisonment for a period not exceeding three months or with a fine of not more than Ten Thousand Dollars and not less than Two Thousand Dollars or by both of these penalties.

Article 76:

Any person, violating the provisions of this Law, the Instructions issued thereunder, the decisions and orders issued pursuant thereto, shall be penalized by a fine not exceeding Fifteen Thousand Dollars.

CHAPTER XII

General Provisions

Article 77:

- (a) Insurance on moveable and immoveable property within Palestine and on moveable property being brought into the country can be covered by a company not registered to do business in Palestine only if:
 - 1. The capacities of national Insurance Companies are exhausted and, or
 - 2. Premium rates quoted by locally registered companies are not competitive.
- (b) The insurer may obtain reinsurance in Palestine and abroad.

Article 78:

The Authority, after consulting concerned Ministries, may impose obligatory insurance against certain risks. Its conditions, general provisions and scope of liability shall be determined by virtue of rules and regulations to be issued for that purpose.

Article 79:

The Insurance Department Director General shall submit to the Board not later than six months after the coming into force of this Law, drafts of the regulations pertaining to the Licensing conditions and requirements for life and non-life insurance and other draft regulations to be issued for the enforcement of this Law.

Article 80:

All Decisions, Instructions and Orders issued by the Board and the Insurance Department Director General pursuant to the provisions of this Law shall be published in the Official Gazette.

Article 81:

- (a) Each Company already operating at the date of the coming into force of this Law shall adjust its status to conform to the conditions, requirements and provisions of this Law within a period of one year from the date of its publication in the Official Gazette. Failing to do so, the license granted to them shall be considered cancelled. The Authority may, upon a decision of the Board, extend this period by a further six months;
- (b) Agents and Brokers already operating at the date of the coming into force of this Law shall adjust their status to conform to the conditions, requirements and provisions of this Law within a period of six months from the date of its publication in the Official Gazette. Failing to do so, the license granted to them shall be considered cancelled. The Authority may, upon a decision of the Board, extend this period by a further six months.

Article 82:

All decisions, Instructions, orders and notices issued by the Authority or the Insurance Department Director General to the person concerned shall be served to his selected address in Palestine by registered, speedy or private mail or by fax, e-mail or telex or by personal delivery in return for a receipt. The date of receipt shall be considered the seventh day as of the date of depositing the letter in the mail or the date of the fax or telex or e-mail.

Article 83:

For the purpose of evidence in all matters related to insurance business, and notwithstanding provisions in other laws, all means of evidence shall be considered correct and admissible, including computerized electronic data, telephone recordings and messages of fax, telex and e-mail.

Article 84:

The Authority may issue the regulations necessary for the implementation of the provisions of this Law including the determination of the fees, which shall be collected in accordance therewith.

Article 85:

The following laws, regulations, orders, instructions, decrees and publications:

Firstly:

- The Insurance Activities Control Law Number (5) of 1965 and its amendments, regulations, instructions, and decisions;
- And the order pertaining to Insurance Activities Control (The West Bank Area) Law number 93 of 1967;
- And the order pertaining to Insurance Activities Control (amendment) (Judea and Samaria) (1212) of 1987;
- And the Declaration of the Control of Insurance Activities (fees) of 1993;

- And the order pertaining to the Control of Insurance Activities Law (amendment) (amendment number 2) (Judea and Samaria) (number 1386) of 1993;
- And the order pertaining to Insurance Activities Control (Gaza Strip and Northern Sinai) (number 151) of 1968;
- And the order pertaining to Insurance Activities Control (Gaza Strip Area) (amendment number 2) (order number 924) of 1987;
- And the instructions pertaining to Insurance Activities Control (the fees) (Gaza Strip Area) of 1987;
- And the order pertaining to Insurance Activities Control (Gaza Strip Area) (amendment) (order number 914) of 1987;
- And the Insurance Activities Control Rule (Gaza Strip Area) of 1988;
- And the Companies Decree (Insurance Companies Deposits) of 1945 and its amendment of 1945;

Secondly:

And the provisions of any other legislation, which contradict the provisions of this law.

Issued in Gaza City: (Gregorian date)
(Hijri date)

Yasser Arafat
Chairman of PLO Executive Committee
President of the Palestinian National Authority